

MINUTES
CHATHAM COUNTY BOARD OF COMMISSIONERS
WORK SESSION
MAY 07, 2007

The Board of Commissioners (“the Board”) of the County of Chatham, North Carolina, met in the Agricultural Building Auditorium, 45 South Street, located in Pittsboro, North Carolina, at 10:25 AM on May 07, 2007.

Present: Chairman Carl Thompson; Vice Chair, George Lucier; Commissioners Patrick Barnes, Mike Cross, and Tom Vanderbeck; County Manager, Charlie Horne; Interim County Attorney, Jep Rose; Assistant County Manager, Renee Paschal; Finance Officer, Vicki McConnell; and Clerk to the Board, Sandra B. Sublett

The meeting was called to order by the Chairman at 10:25 AM.

Work Session

1. Chatham Hospital Presentation/Request
2. NC Arts Incubator Request by Cindy Edwards
3. Affordable Housing Request
4. Rocky River Study/Funds
5. 100-Year Celebration for Goldston by Linda Harris
6. Recreation Presentation/Big Woods Property
7. Presentation of Proposed Budget/Schedule Budget Work Sessions
8. Chatham/Cary Land Use Plan Discussion
9. Water System Discussion
10. Moratorium Discussion/Set Date for Public Hearing
11. Redistricting Discussion
12. Zoning in Chatham County/Discussion County-wide or Unzoned Major Corridors

100-YEAR GOLDSTON CELEBRATION

Linda Harris, representing the Goldston Centennial Committee, stated that they were working on the celebration to be held October 13th and that they wanted to improve an area of Main Street and refurbish and preserve a monument of historic significance in connection with that celebration. She stated that would entail building a granite base for the monument estimated at \$13,000 and requested that the County provide those funds.

Commissioner Cross stated that \$13,000 was not a great amount of money, and that he believed the Board could go ahead and act on that request.

Commissioner Cross moved, seconded by Commissioner Barnes, to approve funds in the amount of \$13,000.00 for the Goldston 100-Year Celebration project. The motion carried five (5) to zero (0).

ROCKY RIVER STUDY

John Fountain stated that he wanted to discuss a proposed Water Quality Monitoring Project developed as a part of discussions with local citizens groups. He stated that they were concerned about proposed development on the Rocky River, noting the correlation between development and water quality. Mr. Fountain stated that the concern was that data from existing monitoring systems did not provide enough detailed information to predict the impact of future development. He stated that he had been asked to design a system that would supply data to inform future land use planning in a more quantitative manner.

Mr. Fountain stated that the level of detail now provided did not allow for accurate estimation of the impact of potential stressors such as development or other specific impacts; that the data was also collected at time intervals too far apart to allow for the impact of major storm

events; and that a dense network of automated systems would be one solution, but was cost-prohibitive.

Mr. Fountain informed the Board of what he had proposed to the Friends of the Rocky River and stated that what they appeared to be supporting was a program that used high school students plus homeowners who lived along the river. He stated that the students would monitor all parameters along the river both above and below each new stressor, which could result in a major change in agricultural practices; that the concept was being supported by each of the three high schools, adding it would be integrated into the science programs at each high school to give students real world experience; that the project was divided into three parts, for which they were seeking County support of only one; that the first was design of the project, which would be done at NC State University under his direction at a cost of \$40,000 provided by NC State; that second was water analysis equipment and supplies for one year at a cost of \$35,000; and that third was training of the teachers and working with them to integrate the project into the curriculum at an estimated cost of \$15,000. Mr. Fountain stated that they were requesting that the County fund the cost of the water analysis equipment and supplies at \$35,000, adding the equipment would be the property of the schools and that during storm events homeowners along the river would provide information as well.

Commissioner Lucier stated he believed this to be a great project, and if it were funded through the normal grant process it would be much more costly. He stated that this was an extraordinarily good deal, adding that the Rocky River ran through Chatham County and this project would provide useful data. He stated that he was enthusiastic about the project as a learning tool, an environmental tool, and a monitoring tool, noting it was a "win-win" for everyone.

Commissioner Lucier moved, seconded by Commissioner Barnes, to ask the School Board to accept the \$35,000.00 to purchase water analysis equipment and supplies. The motion carried five (5) to zero (0).

CLOSED SESSION

Commissioner Barnes moved, seconded by Commissioner Lucier, to recess the Regular Session and convene in Closed Session for the purpose of discussing a matter within the attorney/client privilege. The motion carried five (5) to zero (0).

REGULAR SESSION

Commissioner Barnes moved, seconded by Commissioner Lucier, to adjourn the Closed Session and reconvene the Regular Session. The motion carried five (5) to zero (0).

CHATHAM HOSPITAL

Bill Milholen, Chatham Hospital Philanthropy Committee Chairman, stated that they were a not-for-profit critical access hospital and were community-owned. He stated that construction began in February of the Chatham County Business Park where the new hospital would be located. He commented that the Board had previously been sent a letter and booklet outlining the project and their request.

Mr. Milholen stated in February they had sold \$30 million in FHA insured bonds which would cover about 90% of the costs. He explained their fundraising efforts to raise \$3 million, including private donations and grants, and asked that the County contribute \$100,000 a year for four years for a total of \$400,000. He stated that would amount to 1/6 cent a year on the tax rate. Mr. Milholen spoke about their not-for-profit status, and stated that a large amount of uncollected debt was written off each year. He asked that the Board give their request strong consideration.

Commissioner Vanderbeck asked what the amount was of the bad debt written off last year. Mr. Milholen said it amounted to about 12% of their budget each year, amounting to about \$5 million for the past five years. He remarked that the \$5 million included charity care.

Commissioner Vanderbeck requested that figures be provided that separated bad debt from charity care.

Chairman Thompson asked if they anticipated that bad debt would increase. Mr. Milholen stated that it increased each year, and that there was no indication that would change. He stated that they were working toward enrolling charity care patients into the Medicaid program.

Commissioner Vanderbeck stated he would expect Chatham Hospital to solicit from legislators a cap on the Medicaid funding at the 2005-2006 level for the County's share.

Commissioner Lucier stated that because of the size of the request, they would have to put it in the context of the overall budget, noting that process would start next month.

NC ARTS INCUBATOR

Joel Honeycutt, NC Arts Incubator Board Treasurer, stated that they were recently awarded a Community Development Block Grant (CDBG) to purchase a building that would allow for occupancy by 40 artists. He stated that they had a tremendous need for a kiln yard, and requested that the County provide \$20,000 to construct a kiln yard on the lot adjacent to the building purchased with CDBG funds.

Mr. Honeycutt said currently they had twenty small business people working in Siler City, and the new facilities would allow that number to double; that two of those artists have a small number of employees; that the Town of Siler City had contributed \$25,000 a year to their project for the last five years; that they had partnered with them to receive the Block Grant funds; and that Siler City would be asked to provide that amount again in the coming year.

Commissioner Vanderbeck asked the Assistant County Manager if the County had a budget for the Incubator. Ms. Paschal responded that the County did not fund the Arts Incubator directly but they did fund the rent of their space to Central Carolina Community College.

Chairman Thompson confirmed that this would be a one-time request. He said this was an outstanding program and one way that the County could help economic development.

Commissioner Lucier moved, seconded by Commissioner Vanderbeck, to fund the NC Arts Incubator in the amount of \$20,000.00 to construct a kiln yard. The motion carried five (5) to zero (0).

AFFORDABLE HOUSING TASK FORCE

Amy Powell, Affordable Housing Task Force Chair, stated that they were requesting \$25,000 in order to update the Affordable Housing Needs Assessment and to conduct an affordable housing summit and other educational activities. She stated that their plan was to have the needs assessment completed in time for the housing summit planned for September of this year. Ms. Powell stated that following the summit, the Task Force would begin work on an affordable housing plan which they would need assistance with, and would work with the County to identify ways to provide that assistance.

Randy Voller, Pittsboro Town Mayor and a member of the Affordable Housing Task Force, stated that at the last Board meeting, the Commissioners had received a request from DHIC and hoped they would consider granting that request. He stated that at the present time, they had over 550 families in need of this type of housing within a certain radius of Pittsboro, and only one complex had been built in the last twenty-five years to accommodate that need. Mr. Voller stated that the cost of such housing was increasing daily, and the Town and County working together could address this serious issue.

Commissioner Cross asked if this request was for a low interest loan of \$400,000 over twenty years. He stated that when DHIC had made the original request, it had been mentioned that if the loan was not paid back by the end of the term that the loan would be forgiven and asked for more information on that.

Commissioner Barnes stated that on the \$400,000 loan, DHIC would only make interest payments over the twenty years at a rate of about 1%; that at the end of the twenty years, the County would forgive the loan; that the reason was that in order to make what they received for the State and federal governments legal, DHIC could not actually borrow the money.

Commissioner Cross asked what interest rate they would need to charge in order to collect the entire \$400,000. Commissioner Barnes responded 3% but spread out over thirty years, the initial request was for 2% or less.

Commissioner Vanderbeck stated that there were two separate issues here, the first being the \$25,000 to fund the Needs Assessment study, the affordable housing summit, and the educational program. He said that the updated plan would allow them to tackle the problem of providing affordable housing within the County.

Commissioner Vanderbeck moved, seconded by Commissioner Cross, to approve funding for the one-time Needs Assessment study, the affordable housing summit, and the educational program in the amount of \$25,000.00. The motion carried five (5) to zero (0).

Chairman Thompson commented that a process was in place to hear requests from non-profits. He stated that the Board had approved several requests today, and the perception might be that preferential treatment was being shown to those coming before the Board today by approving those requests, and that that concerned him.

Commissioner Vanderbeck stated this had first come up in January; that he had requested more refined numbers be provided to the Board; and that this was not a non-profit and the funds were to address a critical need within the County.

The County Manager remarked that these funds would come out of any contingency funds remaining or out of Fund Balance.

Commissioner Vanderbeck recommended that the issue of the \$400,000 loan be discussed within the upcoming budget deliberations and that the Board consider earmarking that amount for some type of affordable housing, whether or not it was used for this particular request.

Chairman Thompson determined that the Board was in agreement with that suggestion.

Mayor Voller stated that this request would build housing for teachers, Town and County employees, and many others.

LUNCH BREAK

The Chairman called for a ten-minute recess for lunch.

RECREATION PRESENTATION

Tracy Burnett, Chatham County Recreation Director, provided an update on existing recreation services and facilities, as well as an update on future plans for active and passive recreation. She recounted the amenities located at each facility and the activities supported by those facilities; she described joint projects in which the County was involved and the activities they supported. Ms. Burnett explained how they planned to meet the need for ball fields, soccer fields, tennis courts, and others, and their efforts to search out new sites for recreation uses.

Commissioner Cross asked if there had there been any discussion with the Land Conservancy about placing a park on the roadside of their 700-acre parcel on the Pittsboro-Moncure Road. Ms. Burnett stated that she would contact them about that possibility.

Ms. Burnett continued to explain the handout that had been provided to the Board which was a perception drawing of a parcel on Big Woods Road, noting the recreation area under consideration and what activities they might support and its other advantages. Ms. Burnett stated that the Big Woods property was appraised at \$20,000 per acre, with a purchase price of \$1,405,950; that a residential developer was also interested in this property and the seller wanted to close soon; that there was a balance of \$1,746,033 in the recreation exaction fee for the eastern district; that they could get State funds to be used as a match, adding that operations costs were estimated at \$152,536 per year beginning in 2009, increasing to \$166,685 by 2011; and that the Recreation Advisory Board was in full support of obtaining this property.

Commissioner Vanderbeck stated that a shelter or shelters needed to be provided in case of inclement weather. He also suggested having a reservation system so that the public could use the shelters for gatherings or to reserve campsites.

Commissioner Lucier stated that this was a beautiful piece of property that could accommodate all the uses the Recreation Director had outlined; that the purchase price would come from the recreation exaction fees and would not impact the budget; that he had expected the purchase price to be somewhat greater than what was stated; and that he did not believe it would be difficult to have permission granted to use canoes or kayaks.

Commissioner Barnes stated that a need for a County gymnasium had been identified and that this would be an ideal site for it.

Chairman Thompson asked the maximum amount they could receive from the State. Ms. Burnett replied \$500,000.

The Assistant County Manager stated that one could actually request that funding twice if there were matching funds to go with it. She stated that \$500,000 could be requested one year to purchase the land, and then in a future year request another \$500,000 for the facilities.

Ms. Burnett discussed the Camp Marantha Springs park option located in Silk Hope, adding that the site was 118 acres; that it had previously been used as a church and privately-run camp; and had a gym, pool, dining hall, ball field, and other buildings, although some were not useable. She detailed the amenities of the property, and noted that the sale was a result of a family estate settlement stating that they were eager to sell; that in November, the seller was willing to sell the land for \$1.45 million over five years, with one-third paid at closing. Ms. Burnett stated that another party was currently in negotiations to purchase the land.

Ms. Burnett stated that the area was identified in the Master Plan as a potential park site, but they had no operation cost estimates. She stated that they did not have the accumulated funds necessary in the district exaction fees to purchase the land or build its facilities; that the camp was a pre-developed parcel with good features; that the Recreation Advisory Board supported the purchase; and that there was more potential for rental/user fees due to dining/meeting hall, pond, and other facilities.

Ms. Burnett described Bells Landing at Jordan Lake, noting it was 475 acres that would be leased from the State Parks and Recreation Division for \$1 per year; it was located near the intersection of US Highway #64 and Seaforth Road; that it would provide passive recreation activities; that it was identified in the Master Plan as a special facility; that it was a potential site for water system intake; and that it was centrally located with easy access.

Ms. Burnett stated that the State's lease of the land from the Army Corps of Engineers expired in less than twenty-five years, which would limit the lease period and may mean the County would not qualify for PARTF funds to build the park unless the State's rules changed. She stated that the State had expressed concern that this site was not suited for water sports, and would prefer the County to have a site that did. Ms. Burnett stated that the site could potentially be impacted by new State regulations protecting Jordan Lake; that there were no guarantees about a water intake site based on a letter received in April 2006; that the State had expressed concern that the County had not built in enough staffing to support the operational management of the park.

Ms. Burnett stated that they currently had a total of \$2,195,560 in the CIP, but the higher than expected purchase and construction of the northeast park district would reduce available funds; that annual operating costs were estimated at \$165,000 beginning in 2011 but may not be enough since State officials had indicated that staffing levels should be increased. She stated that some expenses could be recouped through admission and parking fees.

Renee Paschal, Assistant County Manager, stated that the parks CIP was predicated on several assumptions; that they will use recreation fees; that they would maximize the use of grant funding primarily through PARTF funds; that no General Fund monies would be used to build parks; that the cost estimates for these facilities were rough and needed to be refined; that the increased cost of this piece of land would cause a deficit in planning numbers beginning in 2010, and the moratorium would impact the amount of recreation fees collected. She stated that with

that being said, they were still recommending that the Board go forward with purchasing the land in the northeast because that was a critical part of implementing the parks CIP.

Commissioner Barnes stated for FY 2007 in the parks CIP for the northeast, it indicated that \$1.405 million would be coming out, but that he assumed that there were no matching funds. Ms. Paschal said that was correct, because they did not have legislative authority to use recreation fees for anything but land. She stated that if they got that authority, then they could apply for the \$500,000 funding.

Commissioner Lucier stated if they were able to receive the \$500,000 matching grant, then the deficit noted in 2011 would no longer be a deficit. Ms. Paschal acknowledged that that was correct.

Ms. Burnett stated that in summary, the Recreation Advisory Board recommended all three facilities; that they recognized that the County did not currently have sufficient funds to purchase and develop all three; that if all three were developed, then additional revenues would have to be identified; that they were requesting that the Board approve the purchase of the Big Woods Road property for the northeast district park before its purchase by another interested buyer; and that the Board provide guidance on the other two proposed park facilities.

Ms. Paschal clarified that they had already built into their assumptions, the receipt of the \$500,000 in matching funds. She said it would not erase the deficit in FY 2011; and that the deficit would remain, noting it was still possible to receive the second \$500,000 at a later date.

Commissioner Lucier stated that the only way to receive that second \$500,000 would be for the Legislature to grant the County the ability to use recreation exaction fees for facilities rather than just land. He stated that there was a reasonable chance that would happen in this year's legislative session.

Commissioner Lucier moved, seconded by Commissioner Barnes to purchase the Big Woods Road property for the Northeast District Park. The motion carried five (5) to zero (0).

Commissioner Barnes asked that the realtor be approached and asked to contribute half of his/her commission (6%) equaling 3% to go to the school system. Debra Henzey, Grant Administrator, stated that they could make that request, but she was not overly optimistic that would be forthcoming.

Commissioner Lucier suggested that perhaps the owner of the property would reduce the selling price in exchange for some sort of naming rights. Ms. Burnett said they had already approached the owner about that but he had not been amenable to that. She stated that they would contact him again.

Don Lein stated that they would like to move forward with the lease of the land from the State, noting that such negotiations moved slowly. He stated that Bells Landing had a different set of issues.

Chairman Thompson concluded that it was the consensus of the Board that acquiring the other two properties be revisited during budget deliberations.

CHATHAM CARY/LAND USE

Keith Megginson, Planning Director, stated that there were five issues held over from the previous meeting: density preferences; willingness to downzone into Plan compliance; direction regarding non-residential economic development; agreement on future policy status of the Plan; and agreement on next steps. He stated that the fourth item could be delayed, but the staff needed direction on the other items. Mr. Megginson then provided a brief overview of the Plan Option 1 using maps on display.

Commissioner Cross asked if they had gone from one dwelling unit per five acres to two dwelling units per five acres. Mr. Megginson responded that they had gone from one dwelling unit per five acres for the first ½ mile, then the next ½ mile was one dwelling unit per two acres, then one dwelling unit per one acre, then 2½ dwelling units per one acre.

Commissioner Lucier asked what the argument was for the 2.5 dwelling units per acre, asking if it was to ease Cary's annexation. Mr. Megginson stated that it was so there would not be such a dramatic drop from one per acre to one per 6 acres. He stated that it did provide for an increase in areas possible for annexation.

Commissioner Lucier stated that would make it easier for Cary to annex a part of Chatham County.

Commissioner Cross stated that it would limit them, noting that unless they had more density they could not run water and sewer to it.

Jason Sullivan, Assistant Planning Director, stated he understood that Cary had already annexed some of the area noted in yellow on the map. He stated that some of the annexation had been due to wells failing and that it was a voluntary annexation.

Commissioner Barnes noted that voluntary annexation could only take place when land was adjacent to a municipality, so some of that land noted in yellow was proposed for annexation.

Mr. Megginson then provided an overview of Option 2, noting the differences between this option and Option 1. He stated that Option 2 allowed for more density, noting it did away with the one dwelling unit per five acres closest to Jordan Lake and replaced it with one dwelling unit per two acres for one mile.

Commissioner Cross stated that Option 2 was the worst of the options.

Commissioner Lucier commented that none of the Board preferred Option 2.

Keith Megginson provided a brief overview of Option 3, which was an even lower density. He stated that it provided for one dwelling unit per ten acres for the first ½ mile, then the next ½ mile would be one dwelling unit per five acres, then it would proceed out from there. Mr. Megginson explained how that would affect areas already developed, noting this option offered the lowest density of the three options.

Commissioner Barnes stated that he believed the majority of people in Chatham County would prefer one house per five acres all the way to the County line. Charlie Horne, County Manager, stated that the higher density appealed to Cary, who was trying to build their waste treatment plant to handle the extra development. He stated that from a natural development standpoint, these soils would not work with that density, so it appeared that they were drifting towards the higher density to sell and use their wastewater as an investment/profit mechanism. He agreed that most of the comments he had heard supported the one house per five acres option.

Commissioner Cross stated that he saw no reason to endorse more than one unit per acre in any area, noting it only increased Cary's desire to annex into Chatham County.

Commissioner Vanderbeck, speaking to Mr. Megginson, asked that suppose the Board decided that one unit per five acres was what the Board wanted, and next they took that decision to Cary for a joint meeting. He said that Cary would potentially say that was totally unacceptable and say to forget the moratorium on annexation, adding he wanted the Board to realize that could happen.

Commissioner Vanderbeck cautioned to keep in mind that there was talk about widening NC Highway #751 and that might become a commercial corridor, so the industrial/mixed-use area might need to be moved closer to the corridor.

Commissioner Lucier stated that the Major Corridor Task Force, of which Cary was a part, was aware of that widening; that the deliberations of that Task Force should govern what happened regarding business and retail activity along NC Highway #751 through a deliberate process; that the Task Force would also be developing recommendations north of US Highway #64 in the joint planning area, which would provide commercial opportunities to people in that corridor; and that they should wait until that Task Force made its recommendations.

Commissioner Barnes stated that regarding the extension of the moratorium until September 28, 2007, he believed everyone would like to see that stay on annexation extended until final adoption of a plan scheduled for April, 2008.

Chairman Thompson asked if there was a general consensus that the Board states its preference for one dwelling unit per ten acres around the lake, then one unit per five acres to the County line.

Commissioner Barnes said he believed they should start at one to ten at the lake and one to five from there to the County line.

Chairman Thompson stated that perhaps a vote should be taken since there did not appear to be a consensus.

Rita Spina recommended that the Board give its rationale for its preference. She stated that if she answered that question, it would be to safeguard the lake and drinking water.

An unidentified citizen stated that hunting took place almost all the way around the lake, and one could hunt next to an area zoned for one unit per six acres. He stated that there was nothing unique about the hunting, and he knew of no place where the Wildlife Commission had a one to ten acre buffer around game lands.

Chairman Thompson stated he believed the only issue was the area located one-half mile from the lake. He asked if there was agreement that the two options the Board preferred from the ½ mile point back was that there be one dwelling unit per five acres or one dwelling units per ten acres.

Commissioner Cross suggested having maps prepared that showed both options.

Jeffrey Starkweather asked if the County was expecting Cary to put pressure on it to have higher density. He said if so, it would be to the County's advantage to stay with the ten-acre option because it would provide a bargaining tool and would give the County something to give up.

Commissioner Lucier stated that it was not what Cary wanted, noting they wanted low density at the lake to protect the water supply and a greater distance further back from the lake. He stated that the argument was a good one, but it was not a good argument for making it ten acres around the lake.

Mr. Starkweather stated he respectfully disagreed, noting that in order to be convincing about protecting the lake by using five acres all the way to the County line, they would be in a lesser position to ask that it be lowered to two acres. He stated that there was now more development pressure and a lot more was now known about the science of those pressures.

Commissioner Vanderbeck stated that no one was proposing to change the one to five acres to one to ten acres on the other side of the lake. He stated that if Cary was serious about protecting the water, they would not be proposing higher densities around the creek corridors.

Chairman Thompson stated that if no consensus could be reached, he suggested that the Board consider one to five and one to ten. The Board offered no objection.

Keith Megginson stated that the next issue was willingness to downzone which is changing the zoning from one unit per acre to one unit per five acres; that some property owners would likely feel that their rights were being taken away; that the next issue was to clarify the area where future non-residential development could be feasible instead of, or in addition to, residential development; that that area was east of NC Highway #751 along Lewter Shop Road and Green Level West Road; and that it had been suggested earlier that a decision on this be delayed until the Major Corridor Task Force made its recommendations.

Mr. Megginson stated that the next issue regarding the future policy status of the plan could be delayed; that how formalized the agreement was with Cary depended on what ultimately happened with this; that it may be in Cary's best interest to have the whole area zoned one unit per ten acres, and then the area held until they were ready to annex; that that would

allow developers not to have to deal with small parcels; and that one way to address that concern would be to make the plan as formal an agreement as possible and that it require formal action on both Cary and the County's part.

Jep Rose, Interim County Attorney, stated that these types of agreements would speak to government powers and one board would not be able to bind the discretion of the next board. He stated that one board or the other would have authority for zoning; that if an area was annexed by Cary, then Cary would have that authority; and that larger parcels would make it more difficult for Cary to annex involuntarily.

The County Manager stated it seemed critical that whatever the Board did, they did it the way they wanted rather than the way Cary might prefer. He stated that the Board should take the steps necessary to see that it was done the way they wanted it; and that they could look at similar types of agreements within other jurisdictions and see what the details were of those arrangements.

Mr. Megginson stated that the last issue was to agree on the next steps, deciding when the Board could meet jointly with Cary. He asked the Board to look at their calendars to see if a date could be determined.

After some discussion, it was determined that an evening meeting was preferred, and that the dates of June 4th, June 6th, and June 7th be considered as possible dates.

By consensus, the Board set June 4th, 7:00 PM, as the date on which to hold a joint work session with the Cary Town Council in the Superior Courtroom, with June 6th or June 7th as alternate dates.

BREAK

The Chairman called for a ten-minute break.

WATER

Commissioner Barnes stated that a request had been received from Donald Clayton on Chatham Church Road to extend water to him and his neighbors. He stated that the map showed a 3" water line in the area.

Commissioner Cross stated that that was part of the original Southeast Water District line, and asked was there any estimate on when that contract would be done.

Commissioner Barnes stated he had talked with Mr. Clayton recently; that all of his neighbors did not have an interest in receiving water, noting the owner of the largest parcel of 150 acres did not want water; that Mr. Clayton wanted to explore options to provide water to his house, adding it was about 1,400 feet from the stub out to Mr. Clayton's property. Commissioner Barnes stated that Mr. Clayton had indicated that there were three properties wanting to hookup to water, with two that did not.

Chairman Thompson stated that if they did not get the three paid sign-ups, then it would be against County policy and he would not be in favor of it.

Commissioner Barnes moved, seconded by Commissioner Cross, to run a two or three inch water line down Chatham Church Road, financing contingent upon three paid sign-ups. The motion carried five (5) to zero (0).

REDISTRICTING

Commissioner Barnes stated that he believed the Board was in consensus about what to do, which would be to put the districting back the way it was a year ago, and wait for the census in 2010 before any changes were made. He stated that whenever the legality of that had been asked of the experts, they had offered differing opinions, so he was inclined to move forward with it.

Commissioner Barnes moved, seconded by Commissioner Cross, to return the districts to their original state.

Chairman Thompson asked what the legal ramifications would be of that decision, and what the next steps would be if they did decide to move forward.

Jep Rose stated he did not know, noting he had not known the Board was considering taking that step. He stated that he had looked at the issue from the standpoint of what the statutes would allow the Board to do in terms of redistricting; that the Board would have to show that the districts, as they were now, were substantially out of balance; that he suspected that they were; that his concern was that he did not know if it could be shown that the old districts were in balance; and that he suggested addressing these issues in Closed Session.

Commissioner Barnes withdrew his motion until after the Closed Session.

By consensus, the Board agreed to postpone action on the motion until after the Closed Session in order to obtain more clarification and guidance.

WATER

Harnett Water Purchase Agreement:

Mr. Horne noted that the debate was whether the purchase agreement with Harnett County was a disruption to Chatham County, or if an agreement with the State about Jordan Lake is a more viable option. He explained the options in more detail and the process for each one.

Commissioner Lucier stated he believed they should exercise their option to withdraw from the Harnett agreement because it was best for Chatham County; that after researching the issue, he had identified several reasons why the County should withdraw from the agreement: the County can upgrade its own water treatment plant on Jordan Lake to seven million gallons per day at a cost of \$11 million, including upgrading water intake to ten million gallons per day; that by upgrading the County's own plant, it could still provide for peak water demands for double its current population; that the cost of the Harnett agreement was between \$26 and \$32 million, or at least \$15 million more than upgrading its own plant; that the Harnett purchase would lessen the County's ability to get an additional allocation from Jordan Lake; that the Board of Commissioners has already agreed to request additional water from Jordan Lake which might be undermined by the agreement with Harnett County; that previous estimates on the cost of water infrastructure did not include the transmission lines across Jordan Lake, estimated at \$5 to \$7 million; that everyone who spoke at the January public hearing on water needs urged caution on following through on the Harnett deal; that it is wiser to invest in the county's own infrastructure rather than paying Harnett County to expand their infrastructure; that the estimated per gallon charge for water is underestimated because it does not include debt service for upgrading the Harnett plant and constructing the long transmission lines from Harnett County into Chatham County; and that the \$15 million savings from withdrawing from the Harnett agreement could be used to address pressing problems such as schools and other needed public services.

Commissioner Cross stated that upgrading the county's plant was estimated at \$15 million and asked if Commissioner Lucier had considered that the route was part of the southeast water district and that the County would have to put in some water lines. He stated that the only difference would be the size of the pipes that would have to be installed; that he did not believe the cost would be reduced by 100%; and that he suggested it would be perhaps one-third.

Commissioner Lucier moved, seconded by Commissioner Vanderbeck, to withdraw from the Harnett County Water Purchase Agreement.

Commissioner Lucier stated they had voted on the Southeast Water District two elections ago which was prior to the contract with Harnett County.

Commissioner Vanderbeck commented that the County removed the approved Southeast Water District line because they knew they had to do a separate 24" line. He said if they took away the 24" line, then they would have to put back an 8" line.

Commissioner Lucier stated that the County would be building its own water line and not adding to Harnett County's infrastructure.

David Hughes, Public Works Director, stated that the cost of the transmission line from Harnett County's line to where the County's 24" line stopped was \$11 million.

Commissioner Lucier commented that the County would save half of that.

Commissioner Barnes said no, because the County would still have to lay its own line.

Commissioner Lucier moved, seconded by Commissioner Vanderbeck, to exercise the option to withdraw from the Harnett Water Purchase Agreement because it was not economically feasible.

Commissioner Vanderbeck stated he liked the idea of investing in the County's own plant with water from its own lake and selling its own water; that it would mean being able to have the potential for an allocation for regional intake later on; that the County is able to take care of its current needs and up to double its current population; and that he would prefer that the Board be more prudent in how it spends its money. Commissioner Vanderbeck mentioned things that needed to be done with the money saved such as planning for schools, noting they had an obligation to taxpayers to do the best job possible with the funds available by taking care of its needs by investing in its own infrastructure. He said this was a good move, a prudent move, and one he fully supported.

Mr. Hughes stated that the difference in cost would be the cost of the transmission line and upgrading the intake, and whether or not to withdraw from the agreement was a policy decision. He said there were no guarantees of what the costs might be.

Commissioner Barnes stated he was disappointed in the process and that the full Board had not been working on this issue, rather it was two Board members and the Public Works Director. He stated he was not pleased that they had not had full Board participation or conversation; that he understood that the Public Works Director had expressed definite views, but he was not hearing that now; and that rather than trying to make a decision now, he would prefer that a professional engineering firm such as Hobbs Upchurch tell him that this was the way to go, noting how they were doing this was not a very scientific process.

Commissioner Barnes stated that when the Harnett agreement was signed it was presented as the best option, noting he could point out several engineering questions that should be addressed. He stated if a decision like this was being contemplated, then they should begin with a scientific study to determine what was best for the County.

Commissioner Barnes stated that ten days prior, Holly Springs had contacted Harnett County to say that if Chatham County withdrew from the water agreement, that they were ready to take its place. He stated that if the County withdraw, then the option would disappear because Holly Springs would pick it up.

Commissioner Lucier stated that this was an issue they had worked on for a year, a public hearing had been held, and the Board decided to accept the Harnett County agreement. He stated that Hobbs Upchurch's report had stated that the County should upgrade its own plant, but the Board had decided to go with Harnett County; that he would much prefer investing in its own infrastructure than in Harnett County's; that there were other pressing needs; and that spending that money with Harnett County made no sense to him.

Commissioner Lucier stated that the Board was threatening its own water capability by continuing with Harnett County. He stated that this issue had been given due diligence with due professional advice.

Chairman Thompson stated there were some things about the Harnett contract that bothered him. He stated that some Commissioners had sought out information on their own, and he was one of them, adding that he believed it was his prerogative to do so. Chairman Thompson stated regarding the contract, it did not specify a limit on rate increases, and without that being outlined, it could put the County in a precarious situation; that he also questioned whether the County could profit from the sale of water in the future, noting that from the contract

the County would have no equity; that if the County was to sell its allocation in the future, it could not sell that allocation for a profit; and that he believed it would benefit the citizens of Chatham County to upgrade its own infrastructure.

Chairman Thomson stated that there were 37 million gallons of unallocated water currently; that he believed an immediate request should be made to the State to increase that allocation; that he was in favor of this proposal; that he believed the Board should move forward with withdrawing from the Harnett contract today; that the Board should proceed with upgrading its plant from three million to six million gallons per day; that the Board should study its ability to upgrade that plant from six million to possibly ten or fifteen million or more gallons per day, which would require some negotiation with Cary to increase its intake capabilities; and that that would allow them to provide water to the citizens of Chatham County for years to come.

The Chairman called the question. The motion carried three (3) to two (2) with Commissioners Barnes and Cross opposing.

Commissioner Vanderbeck moved, seconded by Commissioner Lucier, to immediately pursue upgrading the Chatham County Water Treatment Plant and intake from three million gallons per day to six million gallons per day. The motion carried five (5) to zero (0).

Commissioner Cross moved, seconded by Commissioner Barnes, to proceed as quickly as possible with returning the Mt. Elam Church Road, Christian Chapel Road, and NC Highway #42 to the County line back to the Southeast Water District and install the originally planned eight-inch line. The motion carried five (5) to zero (0).

Jeff Hunter's Extension:

Roy Lowder stated that they had received a request from Jeff Hunter several months ago regarding obtaining a three-month extension on his option to withdraw water from Jordan Lake to March 31, 2008 due to easement difficulties with the State.

Commissioner Lucier moved, seconded by Commissioner Cross, to extend Jeff Hunter's option to withdraw water from Jordan Lake to March 31, 2008. The motion carried five (5) to zero (0).

ZONING

Keith Megginson stated that the Board had been discussing zoning those portions of Chatham County not now zoned, particularly along major corridors. He stated that the Planning Board had made recommendations on additional land areas to be considered and pointed those out on a map. He suggested that other areas experiencing growth pressures should be considered, noting the map indicated those areas as well.

Mr. Megginson further stated that the other map indicated the unzoned areas of the County and the 1,000 foot corridor on each side. He stated that just in the area recommended by the Planning Board, there were over 2,000 property owners, noting that a total of about 4,000 property owners would have to be notified that would be impacted by this; that 500 feet, 1,000 feet, and 1,500 feet had been suggested for the corridors, with no definitive answer as to what the zoning might be or how to handle specific uses; and that those would have to be determined if they proceed.

Commissioner Cross stated he would like to see the Board give options to the citizens in regard to the width of the commercial corridor, and to offer a choice of zoning the commercial corridors or zoning the unzoned portions of the County. He stated several public hearings should be held in different locations in order to involve the most people before a decision was made.

Commissioner Lucier confirmed that Commissioner Cross was suggesting that two options be given for the public hearing, that being to zone the unzoned portions of the County to RA-40 and to follow the Planning Board's recommendations to zone the corridors plus adding some additional land areas for consideration. He recommended that those corridors be 1,000 feet on each side at RA-40. Commissioner Lucier said when the Major Corridor recommendations were available, they would be an overlay.

Mr. Megginson stated in regards to format, the Board might want to consider having some citizen input meetings rather than public hearings before moving to the next step to produce zoning maps and providing notices to property owners.

Commissioner Cross stated that he would accept that suggestion, adding this would require more than just a meeting in Pittsboro and a meeting in Siler City. He stated they would rely on Mr. Megginson's professional expertise on how to move forward with the best information possible.

Commissioner Vanderbeck stated that they were about to begin the model for economic development in several parts of the County and this could dovetail with that sort of citizen participation and input and use that template for the public information meetings. He stated that the recreation plan needed upgrading, so there were several issues that were well-suited to this type of format.

Chairman Thompson asked if there was a format already in place for the County zoned or rezoned areas. He stated that the educational process was critical in making sure people understood the pros and cons of zoning; that areas other than Siler City and Pittsboro should be used for public information meetings, noting Chatham Central would be an ideal location. He asked if the public education effort could begin with a mailing, newspaper ads, or other ways.

Mr. Megginson stated that in the past, he had been involved in a series of educational meetings throughout the County involving the Land Development Plan, adding they had used the Ruritan Club, the Stockyard arena, and various other places to inform the public about the facts of the plan before they proceeded with it. He noted that was a year-long effort and something similar to that could be done. He stated that rather than scheduling such meetings, they could attend scheduled meetings of community groups, although that was a slower approach.

Commissioner Cross suggested that they might want to zone the major corridors first so that it was in place before the moratorium was lifted. He stated that the second step would be to have a broader public input for the remainder of the County.

Chairman Thompson agreed that the major corridors should be zoned first. He wondered if there was a way to shorten the process but still provide the necessary education and gather citizen input.

Commissioner Vanderbeck stated that there would be a lot more chance of meeting that one-year goal by doing a focused corridor zoning process, noting that such a process would not meet with as much resistance from the public and would provide for a deeper level of understanding by all concerned. He stated that the zoning corridor issue would be easier to do, but that the Board could still provide for citizen input.

Rita Spina, a member of the Major Corridor Task Force, stated that they had four more meetings scheduled. She stated the Task Force had indicated zoning the entire County would take a long time, but zoning the major corridors would not; that it would be a much shorter process to separate the two issues and proceed with rezoning the corridors first; that that would be an introduction to rezoning the unzoned portions of the County; and that the Task Force had initially preferred the 1,000 foot buffer, but that they would be talking about it in more detail at its meeting at the next night's meeting.

Commissioner Vanderbeck stated that zoning those corridors to RA-40 would be straightforward and would not put anyone out of work.

Chairman Thompson stated that getting this information to various community groups would help to get the word out to concerned citizens. Mr. Megginson agreed.

Ms. Spina suggested that a meeting be held in the western part of the County, perhaps at the Catholic Church, because of its large meeting room.

Commissioner Vanderbeck said when looking at the map, the primary area to be affected would be north and south of Goldston.

Mr. Megginson stated that Goldston did not have an ETJ, so that would be a good area on which to focus.

Commissioner Lucier stated this had been an informative discussion and that he believed it should be revisited at the May 21, 2007 Board of Commissioners' meeting.

Mr. Megginson stated that he believed the Board should wait until the Major Corridor Task Force provided a recommendation on the width.

Ms. Spina said they would be able to provide that recommendation after the meeting to be held on May 8th. She said the Task Force would also be looking at access roads and other issues.

By consensus, the Board agreed to consider this issue at their May 21, 2007 Board of Commissioners' meeting.

CLOSED SESSION

Commissioner Cross moved, seconded by Commissioner Barnes, to recess the Regular Session and convene in Closed Session for the purpose of discussing attorney/client privilege. The motion carried five (5) to zero (0).

REGULAR SESSION

Commissioner Vanderbeck moved, seconded by Commissioner Lucier, to adjourn the Closed Session and reconvene in Regular Session. The motion carried five (5) to zero (0).

ADJOURNMENT

Commissioner Lucier moved, seconded by Commissioner Vanderbeck, to adjourn the meeting. The motion carried five (5) to zero (0), and the meeting was adjourned at 4:05 PM.

Carl Thompson, Chairman

ATTEST:

Sandra B. Sublett, CMC, Clerk to the Board
Chatham County Board of Commissioners